

Appendix 1 Glossary of Terms

As used in this document, unless otherwise provided or the context otherwise requires, the following definitions of terms will govern the construction of this document.

ACCURACY: The quality or state of being exact or precise: free from making mistakes or errors.

ADDENDUM: An addition or change made to the RFP before the contract is signed into effect. The contract will include addenda added to the RFP.

ADMINISTRATIVE BULLETIN: Bulletins released to all potential Proposers who have submitted Letters of Interest or entities who have requested to be placed on the RFP permanent mailing list and may include addenda or additional information or data.

AFFILIATE: An organization or person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under control of the Contractor and that provides services to or receives services from the Contractor.

ATTACHMENTS: Exhibits and special or unique materials relating to the requirements attached to the contract and incorporated by reference.

ATTESTATION OF UNDERSTANDING/AGREEMENT: A Contractor's formal declaration of understanding of the terms requested and required by the RFP.

ATTORNEY GENERAL: The name commonly used to refer to any of the deputies on the staff of the Office of the Attorney General of the State of California.

BENEFICIARY: A person who is determined eligible for the Medi-Cal program.

BID: A potential Contractor's reply to solicitation for purchase of goods or services that represents what the Contractor would charge to provide those goods or services.

BIDDER: An individual, sole proprietorship, firm, partnership, corporation, or any other business venture that responds to a RFP by submitting a bid to the contracting agency. Synonymous with the term Proposer.

BILLABLE HOURS: The Contractor's billable hours are the lower of the actual hours incurred by the Contractor or the Contractor's estimated hours located in the most recent approved project plan. See Exhibit A for additional information on the project plans.

BILLABLE RATE(S): The completed Cost Proposal Form will identify the Proposer's billable rates for the each position identified on the form. The billable rates are to include all estimated costs to perform the services for the entire term, including applicable annual rate adjustments attributable to merit increases, profit margins, and inflation or cost of living adjustments. Any applicable personnel not specifically indicated on the Cost Proposal Form (i.e., management, clerical, support staff) should be factored into the indicated positions' billable rates.

CAPITATION PAYMENT: A payment CDHS makes on a monthly basis to a contractor on behalf of each recipient enrolled under a managed care contract for the provision of medical services under the State plan based on a contracted per member per month capitation rate.

CDHS makes the payment regardless of whether the particular recipient receives services during the period covered by the payment (42 CFR 438.2).

CARRIER: Any insurer, including any private company, corporation, mutual association, trust fund, reciprocal or inter-insurance exchange authorized under the laws of California to insure persons against liability or injuries caused by another.

CENTERS FOR MEDI-CARE AND MEDICAID SERVICES (CMS): The section within the federal Department of Health and Human Services, which manages the federal Medicaid Program.

CONTRACT: A legally binding agreement between the State and another entity, public or private, for the provision of goods or services.

CONTRACT EFFECTIVE DATE: The date upon which the terms of the contract go into effect. Date is specified in the contract on the standard contract form.

CONTRACT NUMBER: The seven-digit number assigned to the RFP and contract for tracking purposes. The contract number must be affixed to the proposal submission and accompany all communications with the State regarding the proposal or contract.

CONTRACT REQUIREMENT/DELIVERABLE: Any service, deliverable or other duty that the Contractor is required to provide or perform under the terms of the contract.

CONTRACT TERM: Used to identify the starting and ending date of the contract and/or the time allowed for the performance and completion of the contract.

CONTRACT OFFICER: Responsible party within the State who has authority to enter into a contract with the proposer and is responsible for managing the contract.

CONTRACTOR: The individual, company, public entity or organization that has been awarded a contract.

CONTRACTOR'S COST: The actual cost of expenses incurred by the Contractor to perform any task as part of this contract.

CONTRACTOR'S REPRESENTATIVE: The Contractor's official representative responsible for managing the Contractor's operation.

CORRECTIVE ACTION PLAN: Specific identifiable activities or plans of action necessary to correct deficiencies or problems identified by formal audits, formal reviews, or State monitoring activities.

COST PROPOSAL: A sealed, written and signed Cost Proposal form (Attachment 16), which includes the Proposer's billable rates for the identified positions. The cost proposal is offered in response to a formal or informal request for bid.

DATA: Facts, or a collection of facts, used to make a judgment.

DEPARTMENT: Refers to the State of California Department of Health Services.

CALIFORNIA DEPARTMENT OF HEALTH SERVICES (CDHS): The single State agency responsible for administration of the Medi-Cal fee-for-service, Medi-Cal managed care, County Medical Services, California Children Services, and other related programs.

DIRECTOR: Refers to the Director of the California Department of Health Services.

DISPUTE: A controversy arising under this contract between the State and the Contractor regarding the Contract Officer's determinations concerning the terms and conditions and contractual obligations embodied in this contract.

ESCROW BID DOCUMENTS: The Escrow Bid Documents shall include all labor costs, equipment costs, copies of quotations from subcontractors and suppliers, and memoranda, narratives, consultant's reports, add/deduct sheets, and all other information used by the bidder to arrive at the billable rates contained in the Cost Proposal.

The Escrow Bid Documents, of the proposer who is awarded the Contract, will be held in escrow for the duration of the contract. Escrow Bid Documents will be used to assist in the negotiation for the settlement of claims, in the resolution of disputes, and in Change Order/Contract Amendment pricing.

FEE-FOR-SERVICE (FFS): A method of charging based upon billing for a specific number of service units rendered to an eligible beneficiary. Fee-For-Service is the traditional method for reimbursement used by physicians. Payment almost always occurs retroactively (i.e., after the service has been rendered).

HEALTH CARE ACTUARY: This is a full professional level position. The individual must possess an associateship or fellowship in the Society of Actuaries or the Casualty Actuarial Society, and membership in the American Academy of Actuaries. Under direction of the Senior Health Care Actuary, the individual performs the actuarial work involved in the examination of health care related data, and provides valuations based on actuarial and statistical analysis; may act as a lead to non-actuarial personnel; and works under the direction of the Senior Health Care Actuary. The individual must have knowledge of managed care principles, and the different types of managed care models and their financial structures.

LETTER OF INTEREST: A letter sent to the State by a potential Proposer expressing interest in submitting a Narrative Proposal and Cost Proposal. The letter identifies the prime Contractor, address, liaison person(s) and any other proposed Contractor/Subcontractor(s).

MANAGED CARE: A planned, comprehensive approach to the provision of health care that combines clinical services and administrative procedures within an integrated, coordinated system that is carefully constructed to provide timely access to primary health care and other necessary services in a cost-effective manner.

MANAGEMENT CONSULTANT: The individual must possess a working knowledge of the financial and operational aspects of health care industry including managed care and Medicaid. The individual will typically provide analyses and recommendations, provide oral and written narratives, and attend briefings and meetings with actuaries and supervisory staff.

MEDICAID (TITLE XIX): The program authorized by Title XIX of the Social Security Act to provide medical benefits for certain low-income persons.

MEDI-CAL PROGRAM: Medicaid Program administered by the State of California per Title XIX Federal Medical Assistance Program to provide Federal and State financial assistance for health and medical care of needy persons meeting program eligibility standards.

MEDI-CAL MANAGED CARE DIVISION (MMCD): The division within the California Department of Health Services, Medical Care Services, which is responsible for implementing and monitoring the Medi-Cal Managed Care Program, and its related managed care health plans

MEDICARE (TITLE XVIII): The program authorized by Title XVIII of the Social Security Act of 1965 to provide payment for health services to the population aged 65 and over.

NARRATIVE PROPOSAL: The term used synonymously with the RFP response. A potential Contractor's presentation of proposed activities and/or actions, including recommended approaches or methods to solve or meet a service need, submitted in response to the RFP issued by the State.

OFFICE OF MEDI-CAL PROCUREMENT (OMCP): The office responsible for all CDHS Medi-Cal related procurements.

PROPOSAL: A potential Contractor's sealed written proposal of costs and approaches/ methods to be used in the performance of a particular service. Specifically, in this document, the Proposal is the two-part (Narrative and Cost Proposal) written response to the RFP.

PROPOSER: An individual, sole proprietorship, firm, partnership, corporation, or any other business venture that responds to an RFP by submitting a bid to the contracting agency. Synonymous with the term Bidder.

PROPRIETARY: Ownership such as held under patent, trademark, or copyright. The term can include information (contract data) which is unique to a company and which, in the hands of a competitor, would be detrimental to the company.

PROVIDER: An individual, group, or institution licensed to provide medical care.

REQUEST FOR PROPOSAL (RFP): The solicitation document that describes the qualification requirements, performance specifications, time frames, and other requirements and asks bidders to describe how they would accomplish the services and at what billable rates.

RFP SECTION: This refers to all subordinate portions of each RFP chapter beginning with the same whole number.

SENIOR HEALTH CARE ACTUARY: This is a full professional level position. The individual must possess an associateship or fellowship in the Society of Actuaries or the Casualty Actuarial Society, and membership in the American Academy of Actuaries. The individual will be responsible for supervising or assuming lead responsibilities over actuarial statisticians and journey/professional level actuaries, and/or acts as a consultant or lead on the most complex and sensitive program issues. The Senior Health Care Actuary must be an expert in health care benefits, preferably in the Medicaid program, and has demonstrated success in managing a consulting unit or sizable client team; provides actuarial opinions and prepares statements, reports, and valuations of actuarial and statistical data relating to health care; may act as a manager or lead over non-actuarial personnel; and prepares memoranda of proposed actions and recommendations based on actuarial applications and conclusions. The individual must

have knowledge of managed care principles, and financial structures of various types of managed care companies.

SCOPE OF WORK: Work activities, actions to be performed, deliverables to be supplied, methods and approaches to be used, and expected objectives and outcomes to be achieved under a contractual agreement.

SUBCONTRACT: A formal agreement entered into by the Contractor with any other organization(s) or person(s) who agree(s) to perform any administrative function or service for the Contractor specifically related to fulfilling the Contractor's obligation to the Department under the terms of this contract.

SUBCONTRACTOR: Any and all corporations, partnerships, agents, and/or individuals retained by the Contractor (with prior written approval from the State) to perform services under this RFP, regardless of the amount, duration, or scope of the services provided, and regardless of whether identified in the Contractor's proposal in response to the RFP or subsequently retained during the contract term.

TITLE XVIII: That portion of the Social Security Act that authorizes the Medicare program.

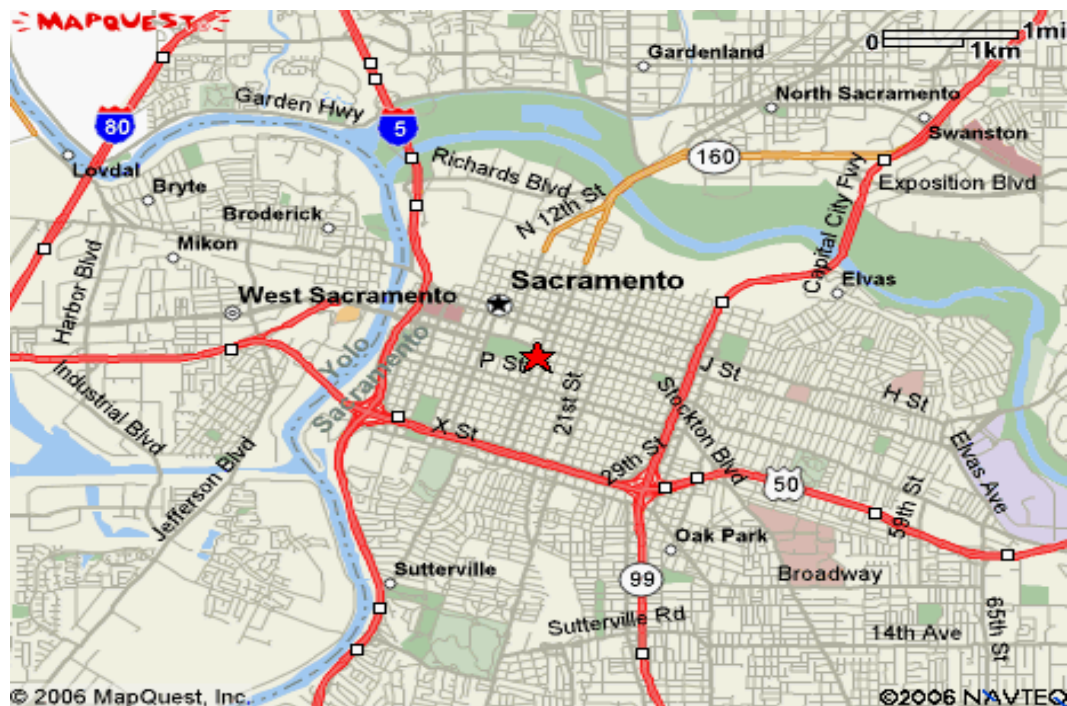
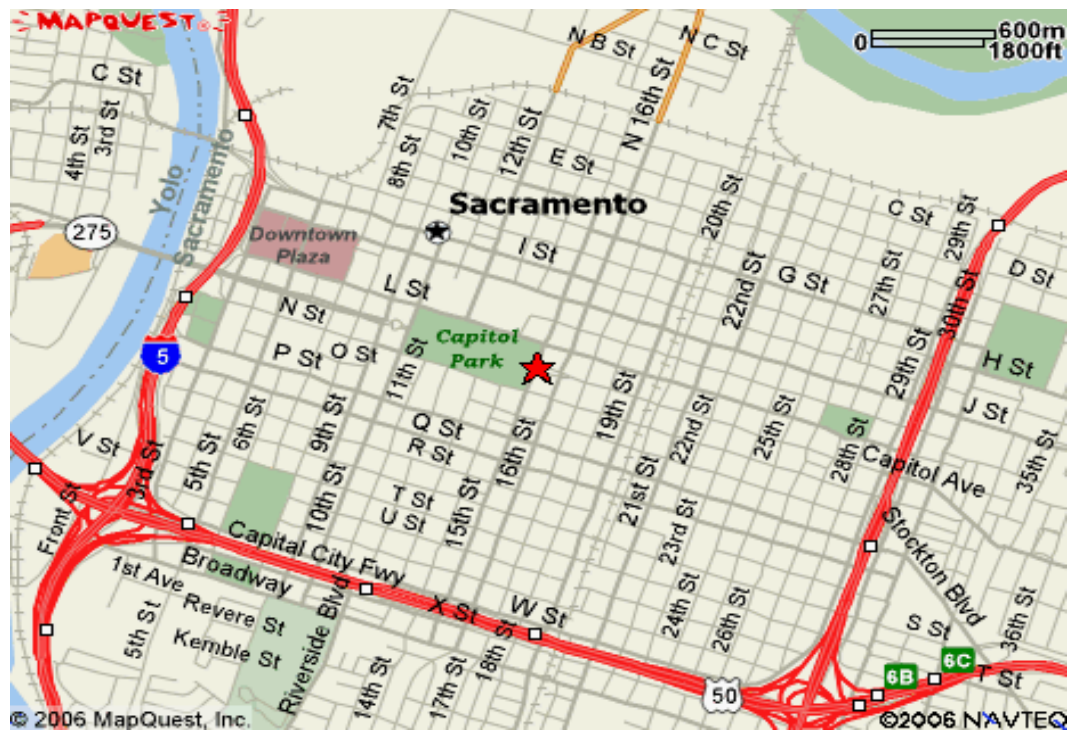
TITLE XIX: The Title of the Social Security Act that enacted Medicaid in 1965. Synonymous with the term Medicaid.

TITLE 22: Title 22, Division 3, California Code of Regulations, contains the rules and regulations governing the Medi-Cal program. These regulations define and clarify the provisions of the State statute, primarily the Welfare and Institutions Code.

TURNOVER PERIOD: Prior to the termination or expiration of this Contract and upon request by CDHS, the Contractor shall transfer to the CDHS, or a successor contractor, Medi-Cal (managed care and/or fee-for-service) beneficiaries' medical record information, managed care plan data, data analysis and evaluation reports, all appropriate Books and Records as defined in Section 11 of Exhibit E (Additional Provisions), and all databases and files required by this Contract.

WELFARE AND INSTITUTIONS (W&I) CODE: The California code of law that includes the Medi-Cal Act.

Maps/Directions



Maps/Directions



1: Merge onto I-5 N.

366.1 miles



2: Take the J STREET exit toward DOWNTOWN.

0.2 miles



3: Turn SLIGHT RIGHT onto J ST.

0.9 miles



4: Turn RIGHT onto 15TH ST / CA-160 S.

0.2 miles



5: Turn LEFT onto CAPITOL AVE.

<0.1 miles

6: End at **1501 Capitol Ave**
Sacramento, CA 95814-5005, US**Total Est. Time:** 5 hours, 47 minutes **Total Est. Distance:** 385.26 miles

From Los Angeles

Maps/Directions



1: Take I-80 E toward BAY BRIDGE / OAKLAND / SEVENTH ST / US-101 N (Portions toll). 81.5 miles



2: Take CAPITAL CITY FWY / US-50 E toward SACRAMENTO / SOUTH LAKE TAHOE. 4.3 miles



3: Take the CA-160 / 15TH STREET exit. 0.2 miles



4: Turn SLIGHT LEFT onto X ST. <0.1 miles



5: Turn LEFT onto 16TH ST / CA-160 N. 0.8 miles



6: Turn LEFT onto CAPITOL AVE. <0.1 miles



7: Make a U-TURN at 15TH ST onto CAPITOL AVE. <0.1 miles










8: End at **1501 Capitol Ave**
Sacramento, CA 95814-5005, US

Total Est. Time: 1 hour, 35 minutes **Total Est. Distance:** 91.29 miles

From San Francisco

Maps/Directions

- | | | |
|---|--|------------|
|  | 1:Start out going SOUTH on AIRPORT BLVD toward AIRPORT EXIT. | 1.6 miles |
|  | 2:Merge onto I-5 S toward SACRAMENTO / YUBA CITY. | 8.9 miles |
|  | 3:Take the J STREET exit toward DOWNTOWN. | 0.3 miles |
|  | 4:Stay STRAIGHT to go onto J ST. | 0.9 miles |
|  | 5:Turn RIGHT onto 15TH ST / CA-160 S. | 0.2 miles |
|  | 6:Turn LEFT onto CAPITOL AVE. | <0.1 miles |
|  | 7: End at 1501 Capitol Ave
Sacramento, CA 95814-5005, US | |

Total Est. Time: 17 minutes **Total Est. Distance:** 12.19 miles

From Sacramento International Airport

Maps/Directions



1: Take US-50 / CA-89 / EMERALD BAY RD. Continue to follow US-50 W. 98.6 miles



2: Take the CA-160 / 16TH STREET exit. 0.2 miles



3: Turn SLIGHT RIGHT onto 16TH ST / CA-160 N. 0.8 miles



4: Turn LEFT onto CAPITOL AVE. <0.1 miles



5: Make a U-TURN at 15TH ST onto CAPITOL AVE. <0.1 miles



6: End at **1501 Capitol Ave**
Sacramento, CA 95814-5005, US

Total Est. Time: 2 hours, 2 minutes **Total Est. Distance:** 102.87 miles

From South Lake Tahoe